

the way to Wolsey, pushing the total to 273 miles. The Aberdeen to Oakes line in northeastern South Dakota was also being considered for abandonment.

C&NW declined invitations to negotiate. The future of the rail lines looked bleak.

A breakthrough came when PRESSLER intervened in a proposed sale of Conrail to the Norfolk Southern Railroad, a merger that C&NW claimed would cost it \$60 million a year in traffic diversions.

In return, C&NW approached the negotiating table with a commitment to find a potential buyer of its South Dakota track.

And in dramatic fashion, those along the track provided a huge show of support.

"C&NW joined me in a day-long working train trip in May 1985," PRESSLER said. "We rode in a rail car between Rapid City and Pierre. Twelve hundred people turned out along the way to express their support for continued service. That really helped turn things around with C&NW officials."

For the first time, the shortline or regional railroad concept was introduced.

And that trip across South Dakota's prairie seemed to have a calming effect on the players.

"It coalesced everyone," PRESSLER said. "It was the first time all sides sat down and discussed the issue with the uniform goal to make the line work. Everyone agreed it would take some give and take."

At a rail conference in September 1985, C&NW outlined a divestiture proposal which led to the birth of the DM&E Railroad.

A year later, the new railroad's locomotives were pulling cars full of grain, lumber, wood chips, bentonite clay and cement.

This summer, 100 miles of deteriorated track between Wessington and Pierre has been upgraded with new, 115-pound rail. This \$20 million project is being financed by a bond issue the railroad will repay over 20 years with no state dollars.

The project is two months ahead of schedule. Crews are in the stretch run, laying new track between Blunt and Pierre.

In May, DM&E added 203 miles to its system when it purchased the "Colony Line" from the Union Pacific Railroad.

The line connects with the DM&E at Rapid City and extends north to Bentonite near Colony, Wyo., and south to Crawford and Chadron, Neb., where it links with Burlington Northern Santa Fe and Nebkota Railway.

"We are looking forward to a smooth transition" DM&E president J.C. "Pete" McIntyre said when the sale was announced.

The railroad purchased 12 more locomotives and hired 50 employees, increasing the workforce to more than 300.

"These are good-paying jobs and benefits," PRESSLER said.

Also, the railroad announced it is spending more than \$32 million for 625 new freight cars, including 325 covered hoppers to haul cement from South Dakota Cement Plant at Rapid City.

Others—such as grain elevators along the rail line—have made major improvements as well.

It's obvious to Anderson that had C&NW been successful in its abandonment efforts, the line wouldn't have been rebuilt.

"Business would have gone over to the Nebraska line," he said.

But because it didn't—and rail traffic now travels in South Dakota—it means long-term economic development for the state, he said.

"The C&NW had rerouted traffic out of the Black Hills to Nebraska," he said. "When they failed to abandon the line from Rapid City to Pierre, they decided to sell it."

"After we began operations, and began upgrading the line and showed the ability to handle the carload business, we convinced

C&NW to reroute that traffic coming across South Dakota in lieu of Nebraska."

And then C&NW decided to abandon the Nebraska line.

"The reverse could have happened," Anderson said.

Ten years ago, one of the first repainted C&NW locomotives was named the "Larry Pressler." Since then, locomotives have carried the names of cities along DM&E's service area.

The railroad also honored him by naming a Rapid City intersection "Pressler Junction."

Pressler admits he was like a kid in a candy store on a particularly memorable trip back home.

"They let me drive a locomotive a little bit once," he said.

#### DM&E KEEPS S.D. ON THE RIGHT TRACK

In the middle of the night, a train whistle carries a mournful, lonely sound on the prairie air.

As homesteaders pushed westward in the 19th century, the advent of trains signaled hope and opportunity in the uncertain vastness of Dakota Territory.

Today, they continue to represent a kind of comforting stability.

They have become as familiar to the landscape as rolling grasslands and an endless horizon. But trains in much of west and central South Dakota were nearly derailed by a corporate stroke of the pen a decade ago.

Chicago & North Western Railroad wanted to abandon its deteriorating track between Rapid City and Wolsey. It talked about walking away from its line between Aberdeen and Oakes, N.D., as well.

In historic fashion, shippers circled their wagons and waited for reinforcements. And, as their forefathers had done with other territorial disputes, they pushed for a reasonable solution.

Into the mix came Sen. Larry Pressler, R-S.D., who rightfully used his political standing in Washington to force field hearings.

In the end, it came down to a little give-and-take. C&NW's back was scratched when a railroad merger elsewhere in the country—which could have hurt its bottom line—was opposed by Pressler. In return, the boys in the C&NW boardroom agreed to find a buyer for the track it wanted to abandon in South Dakota.

Thus, the birth of Dakota, Minnesota & Eastern Railroad.

DM&E has been a good corporate neighbor in its first 10 years. It has proven it can handle the needs of shippers, farmers and other customers up and down its 900-mile line.

And it's doing something else that's certainly long overdue.

It's putting its money—and longterm viability—where its mouth is.

With the current track upgrade between Wolsey and Pierre nearly complete, DM&E has invested some \$90 million in infrastructure. Millions more dollars have been committed to purchase hundreds of new rail cars.

Trains have had a romantic, endearing quality in this part of the country for well over a century.

For those who truly care about the future, their whistles will continue to beckon with faith and anticipation.

#### ECONOMIC NEEDS OF PUERTO RICO

Mr. JOHNSTON. Mr. President, since 1973, my first year in the Senate, I have spent a great deal of time and energy on issues affecting Puerto Rico. I rise today to voice my concern for our fel-

low citizens in Puerto Rico, who have been greatly affected by our recent action to eliminate economic development incentives under section 936 of the Internal Revenue Code without providing them with an alternative program. I understand the need to curb excessive corporate tax benefits in order to get our Nation's fiscal house in order. However, in accomplishing this, we must not ignore the needs of the people of Puerto Rico. The 3.7 million American citizens of Puerto Rico deserve the opportunity to become economically solvent and self-sufficient. We must work hand in hand with them to develop a sound economic development program that helps achieve those goals. Modifications, improvements or alternatives such as a wage credit have been suggested for Puerto Rico. All of these options deserve serious consideration, but above all we must not allow the economy of Puerto Rico to be devastated by inaction or the wrong action by Congress. Although I shall not be returning for the 105th Congress, I urge my colleagues to give prompt attention to this issue early next year.

#### AMERICA, WHO STOLE THE DREAM?

Mr. HOLLINGS. Mr. President, lost in the rhetorical haze generated by pollster politics is a serious discussion of the principle challenge facing this Nation, that is, how can we arrest the decline in wages and living standards and restore the American Dream. Instead of addressing this fundamental issue, what currently passes for political discourse is a mindless discussion in which each candidate stands up and proudly proclaims that he or she is for the family and he or she is against crime. What neither party wants to address is the immutable connection between two decades of economic stagnation and dislocation, and the breakdown of families and the destruction of communities.

In the past decade over 2 million high paying jobs in manufacturing have disappeared. The social fabric of hundreds of communities have been ripped apart. Those who have jobs are working longer and harder for less compensation. Isn't it more than a coincidence that the breakdown in the family and the collapse of our inner cities would coincide with an unprecedented era of economic insecurity? Once the land of opportunity, America now has the worst distribution of income in the industrialized world.

Fortunately, the Philadelphia Inquirer has filled this void. In a penetrating 10 part series, the Pulitzer Prize winning team of Donald Barlett and James Steele have put a human face on the devastation wrought by our failed trade policy. From our unwillingness to enforce our trade laws to the sorry spectacle of former U.S. officials lining up to represent foreign interests, Barlett and Steele correctly identify the root causes of our economic decline.